


IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

JUN 11 2018

JULIA C. DUDLEY, CLERK
BY:  DEPUTY CLERK

UNITED STATES OF AMERICA,)

Plaintiff,)

v.)

LARRY WAYNE PRICE, JUNIOR)

Defendant.)

Civil Action No. 1:18CV00027

VERIFIED COMPLAINT FOR INJUNCTIVE RELIEF

Plaintiff, the United States of America, by and through its undersigned attorney, hereby alleges as follows:

INTRODUCTION

1. This is an action brought by the United States of America for a temporary restraining order, preliminary and permanent injunctions, and other equitable relief to which it is entitled under the Fraud Injunction Statute, 18 U.S.C. § 1345, to enjoin the ongoing commission of money laundering in violation of 18 U.S.C. § 1957 and the alienation or disposition of property derived from violations of 18 U.S.C. § 1957.

2. Since at least October 2016, Larry Wayne Price, Jr. ("Price") has engaged in a fraudulent scheme to defraud investors in various businesses owned by Price. With the fraudulently acquired money, Price engaged in various financial transactions for his personal gain. Price continues to spend the fraudulently obtained money. Additionally, Price has begun to sell assets acquired from the fraudulently acquired money. Because of this fraudulent scheme and money laundering, Price's victims have suffered losses totaling \$17,725,000.00.

3. For the reasons stated herein, the United States seeks, pursuant to the Fraud Injunction Statute, 18 U.S.C. § 1345, to enjoin Price, and others acting on his behalf, from engaging in ongoing money laundering and alienating or disposing of property and assets linked to Price's money laundering in violation of 18 U.S.C. § 1957.

JURISDICTION AND VENUE

4. This Court has jurisdiction of the subject matter of this action pursuant to 18 U.S.C. § 1345 and 28 U.S.C. §§ 1331, 1345.

5. Venue is proper in the Western District of Virginia pursuant to 28 U.S.C. § 1391(b)(2).

PARTIES

6. Plaintiff is the United States of America acting pursuant to its authority under 18 U.S.C. § 1345 to seek injunctive and other relief warranted to prevent continuing and substantial injury to any person, as well as its duty and authority under 28 U.S.C. § 3664(m) to enforce orders of restitution by all other and available means.

7. The defendant is Larry Wayne Price, Jr., whose last known residence is 900 Tanager Drive, Bluefield, Virginia.

FACTS

I. Three Blind Mice Fraud and Money Laundering

8. In 2016, Price solicited money from investors for a mining operation. Price did so without any intention of using the investment money for a mining operation.

9. In October 2016, Price entered into a contract with Three Blind Mice LLC ("TBM"). The contract set forth that TBM lent Price money for the purchase and installation of a \$7.5 million coal upgrading system that would allow creation of solid pieces of coal from coal

dust. Pursuant to the contract, Price would pay back the loan, plus a return on investment, to TBM by January 31, 2018.

10. On October 7, 2016, TBM wired \$2.5 million to Price's personal account at Rocky Mountain Bank. On November 4, 2016, a TBM member wired an additional \$2.5 million to Price's personal account at Rocky Mountain Bank. On March 16, 2017, TBM wired \$500,000.00 to Price's personal account at Rocky Mountain Bank. On April 13, 2017, TBM wired \$1.4 million to Price's personal account at Rocky Mountain Bank. In total, TBM wired Price \$6.9 million.

11. Price never spent the \$6.9 million acquired from TBM on a coal upgrading system. Instead, between October 11, 2016, and May 30, 2017, Price knowingly and intentionally spent \$6,326,904.78 of the TBM money on (1) an RV and boats; (2) jewelry; (3) building contractors; (4) a non-mining related business entity owned by Price (Three Solutions); (5) cash to a personal associate; and (6) various credit card payments.

12. Price knowingly and intentionally transferred some of the TBM money to the Three Solutions account and spent the TBM money on further personal expenses with no relation to mining.

13. In January 2018, Price failed to pay back TBM investors any of the \$6.9 million.

14. In April 2018, TBM filed suit against Price for defrauding them. In connection with that lawsuit, Price signed a notarized statement admitting that he lied to TBM investors to acquire the \$6.9 million, never purchased the coal processing equipment, and stole TBM's money.

15. In exchange for the notarized admission of his fraud, Price signed over ownership of five parcels of real estate located in Billings, Montana.

II. Ninety M LLC Fraud and Money Laundering

A. Land and Mining Rights Purchase

16. In 2017, Ninety M LLC ("90M") registered in Wyoming as an LLC. Four LLCs and corporations owned by eight different individuals are the members of 90M. One of the members of 90M is H & P Investments, LLC ("H&P"). The members of H&P are Amy Price (Price's wife) and Chandra Hanson (the wife of Price's business associate, Todd Hanson). Larry Price is a Manager of 90M. Together, the 90M members contributed \$15.2 million in cash.

17. The members created 90M for the purpose of purchasing land and coal mining permits in Tazewell, Virginia. 90M has two subsidiaries: Middle Creek Real Estate, LLC ("MCRE") and Middle Creek Operating, LLC ("MCO").

18. As the 90M Manager, Price entered negotiations with D&T Property Rentals and WYNNLY, Inc. (the "sellers") for the purchase of a ninety-four acre property in Tazewell County, Virginia, as well as mining rights to the land. On June 7, 2017, Price and the sellers agreed to a \$2.1 million purchase price for the land and mining rights.

19. Price told the 90M members that the sellers agreed to a \$6.1 million sale price for the land and mining rights.

20. On June 21, 2017, MCO wired \$6.1 million from its JP Morgan Chase Bank account to The Dudley Law Firm, Price's personal attorney.

21. On June 23, 2017, The Dudley Law Firm wired \$2.1 million—the true purchase price—to the sellers.

22. On July 3, 2017, The Dudley Law Firm wired the remaining \$3.9 million of 90M's \$6.1 million to Price's personal Rocky Mountain Bank account.

23. On July 5, 2017, Price transferred \$1.425 million of the fraudulently obtained \$3.9 million from his personal account at Rocky Mountain Bank to Three Solutions' Rocky Mountain Bank account.

a. On July 5, 2017, Price wired \$500,000 from the Three Solutions bank account to Natural Alternatives, a custom nutritional supplement company.

b. Also on July 5, 2017, Price wired \$925,000 from Three Solutions' bank account to H&P's Rocky Mountain Bank account.

24. In July 2017, from the remaining \$2.4 million of the fraudulently obtained \$3.9 million, Price made four additional transfers from one of his personal accounts at Rocky Mountain Bank to another personal account at Rocky Mountain Bank.

a. On July 10, 2017, Price transferred \$500,000.

b. On July 11, 2017, Price transferred \$204,000.

c. On July 12, 2017, Price transferred \$200,000.

d. On July 17, 2017, Price transferred \$40,000.

B. Fake Equipment Purchase No. 1

25. On September 27, 2017, 90M wired Three Solutions \$2.9 million for the purchase of heavy coal mining equipment for MCO.

26. On September 28, 2017, Price transferred \$900,000 of the \$2.9 million from the Three Solutions account to the H&P account at Rocky Mountain Bank.

27. Price never purchased the mining equipment with the \$2.9 million from 90M. Instead, he stole the money and kept it for his personal use.

C. Fake Equipment Purchase No. 2

28. On November 8, 2017, 90M wired \$1.8 million from its MCO account to Three Solutions' account. 90M intended this money for Price to purchase mining equipment from Arcelor-Mitta.

29. On November 9, 2017, Price transferred \$330,570 of the \$1.8 million in the Three Solutions account into another of Price's bank accounts at Rocky Mountain Bank.

30. On November 22, 2017, Price transferred another \$200,000 of the \$1.8 million from the Three Solutions account into another of Price's bank accounts at Rocky Mountain Bank.

31. Price never purchased mining equipment from Arcelor-Mitta. Instead, Price used the fraudulently obtained \$1.8 million for his personal use.

D. Fake Coal Purchase

32. On January 9, 2018, Price called Steve Casher, a 90M investor in control of the 90M bank account, requesting \$300,000 to purchase a form of coal to mix with the coal pile to make it more marketable.

33. 90M gave Price the \$300,000, but Price never purchased any coal. Instead, Price used the fraudulently obtained \$300,000 for his personal use.

E. Equipment Purchase Kickback

34. On May 2, 2018, Price, as the Manager of 90M, negotiated the purchase of a piece of mining equipment from Peter's Equipment. Price informed 90M that the equipment cost was \$2.4 million. 90M paid \$2.4 million to Peter's Equipment for the purchase of the mining equipment.

35. The actual cost of the equipment was only \$1,075,000. Price instructed Peter's Equipment to write Three Solutions a check for \$1,325,000—the difference between the purchase price and Price's fake amount he gave to 90M.

36. In total between the TBM Fraud and 90M Fraud, Price fraudulently acquired \$17,725,000, and knowing that he fraudulently obtained those funds, engaged in various monetary transactions, including significant purchases over \$10,000 and transfers over \$10,000 among bank accounts.

III. Price's Dissipation of Assets and Fraudulently Obtained Funds

37. On or about May 9, 2018, Price and/or his wife sold an RV to Tennessee RV Sales and Service for approximately \$312,000.

38. On May 9, 2018, Amy Price (Price's wife) opened a new bank account at First Sentinel Bank in Tazewell, Virginia, and deposited a check from Tennessee RV Sales and Service for \$312,000.

39. In the days after opening the First Sentinel Bank account, the following individuals transferred \$231,000 into the account:

Date	Description	Amount
05/15/2018	Check from Cole Auto Outlet	\$ 40,000.00
05/15/2018	Wire Transfer from Heritage Equipment, Inc.	\$ 170,000.00
05/15/2018	Wire Transfer from Perry Dale Goins	\$ 21,000.00
		\$231,000.00

40. On May 10, 2018, Price was arrested for violation of 18 U.S.C. § 1001 for lying to federal agents. Price was detained at Southwest Virginia Regional Jail pending the posting of a \$500,000 secured cash bond.

41. On May 18, 2018, Amy Price wired \$500,000 from the First Sentinel Bank account to the United States District Court for the Western District of Virginia to post Price's bond.

42. Price was released from jail on May 18, 2018.

43. Since Price's release from jail, he and his wife have continued to spend the fraudulently obtained money and transfer fraudulently obtained money among various bank accounts they control.

44. Todd Irwin, a Price associate, has been in contact with various individuals in Virginia and West Virginia, negotiating the sale of several of Price's assets as well as assets under Price's control but not in his name.

45. On May 24, 2018, Price sold a twenty-three foot, 2017 Ranger Bass Boat to Phillip Jones.

COUNT I
18 U.S.C. § 1345—Injunctive Relief

46. The United States realleges and incorporates by reference paragraphs 1 through 43 of this Complaint as though fully set forth herein.

47. By reason of the conduct described herein, Defendant violated, is violating, and is about to violate 18 U.S.C. § 1957 by knowingly and intentionally engaging in monetary transactions in the United States with money that is criminally derived in excess of \$10,000.

48. Upon a showing that Defendant is committing or is about to commit money laundering, the United States is entitled, under 18 U.S.C. § 1345, to a temporary restraining order, a preliminary injunction, and a permanent injunction restraining all future fraudulent conduct and any other action that this Court deems just in order to prevent a continuing and substantial injury to the victims of fraud.

49. Additionally, under 18 U.S.C. § 1345, upon a showing that Defendant is alienating or disposing of property, or intends to alienate or dispose of property, obtained as a result of money laundering, the United States is entitled to an injunction restraining such alienation or disposition, as well as a restraining order prohibiting any person from withdrawing, transferring, removing, dissipating, or disposing of any such property or property of equivalent value and appointment of a temporary receiver to administer such restraining order.

50. As a result of the foregoing, Defendant's conduct should be enjoined pursuant to 18 U.S.C. § 1345. Further, the alienation and disposition of his property should also be enjoined and a receiver should be appointed.

PRAYER FOR RELIEF

The United States of America respectfully requests the following relief:

1. A temporary restraining order pursuant to 18 U.S.C. § 1345 as follows:
 - a. Enjoining Defendant, his agents, officers, and employees, and all other persons and entities in active concert or participation with him from committing money laundering, as defined by 18 U.S.C. § 1957;
 - b. Enjoining Defendant, his agents, officers, and employees, and all other persons and entities in active concert or participation with him from withdrawing, transferring, removing, dissipating, or disposing of any such property obtained as result of money laundering, as defined by 18 U.S.C. § 1957, or property of equivalent value totaling \$17,725,000;
 - c. Enjoining Defendant, his agents, officers, and employees, and all other persons and entities in active concert or participation with him from destroying, deleting, removing or transferring any and all business, financial, accounting, and other

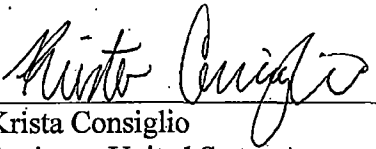
records concerning Defendant's operations and the operations of any other corporate entity owned or controlled, in whole or in part, by Defendant; and

- d. Appointing a temporary receiver to administer such restraining order.
2. A preliminary injunction and permanent injunction on the same basis and to the same effect.
3. Such other and further relief as the Court shall deem just and proper.

Date: 6/8/18

Respectfully submitted,

THOMAS T. CULLEN
United States Attorney


Krista Consiglio
Assistant United States Attorney
Virginia State Bar #89088
United States Attorney's Office
P.O. Box 1709
Roanoke, VA 24008
TEL (540) 857-2250
Email: krista.consiglio@usdoj.gov

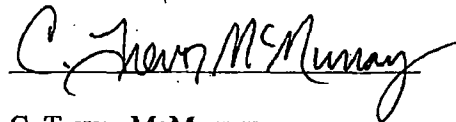
VERIFICATION

I, C. Trevor McMurray, hereby declare that:

1. I am a Special Agent with the United States Internal Revenue Service.
2. I have read the above Verified Complaint and know its contents. It is based upon my own personal knowledge and reports provided to me by other law enforcement agents.
3. Everything contained in the Verified Complaint is true and correct, to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed June 5, 2018 in Brista, Virginia.



C. Trevor McMurray

